



# **Diversity Policy for the Board of Directors and Senior Management**

Duopharma Biotech Berhad

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## Table of Contents

<b>1. Introduction.....</b>	<b>3</b>
1.1 Policy statement.....	3
1.2 Objectives.....	3
1.3 Scope and application.....	3
1.4 Definitions.....	4
<b>2. Framework.....</b>	<b>6</b>
2.1 Diversity framework.....	6
2.2 Policy limitations.....	6
<b>3. Roles and Responsibilities.....</b>	<b>7</b>
3.1 Board of Directors .....	7
3.2 Nomination and Remuneration Committee .....	7
3.3 Group Managing Director.....	7
<b>4. Measures and Strategies .....</b>	<b>8</b>
4.1 Board of Directors .....	8
4.2 Senior Management.....	9
<b>5. Reporting.....</b>	<b>10</b>
<b>6. Review and Amendment.....</b>	<b>10</b>

## 1. Introduction

### 1.1 Policy statement

- 1.1.1 The Board of Directors (the “Board”) and the Nomination and Remuneration Committee (“NRC”) of Duopharma Biotech Berhad (“Duopharma Biotech” or the “Company”) recognise and embrace the benefits of having a diverse organisation and views increasing diversity at the Board and Senior Management level as an essential element for a well-functioning leadership.
- 1.1.2 The Diversity Policy for the Board and Senior Management of Duopharma Biotech (“Policy” or “Document”) reflects the Company’s commitment to promote diversity and inclusion for the Board and Senior Management. This Document sets out the guiding principles and practices which underpin the Company’s approach to instituting a diverse Board and Senior Management team.
- 1.1.3 This Document is supplementary to the existing guidelines and policies within Duopharma Biotech so as to further enhance the overall governance infrastructure of the Company. Whilst this Policy is intended for the Board and Senior Management level, the targets set aims to introduce organisational diversity in the Company’s overall business.

### 1.2 Objectives

- 1.2.1 The Board’s primary objectives for the Policy is to achieve the Company’s diversity and inclusion targets by establishing measurable goals and strategies for the long-term interests of shareholders and all stakeholders.
- 1.2.2 The Policy also aims to achieve the following:
- a) To enhance decision-making capabilities at the Board and Senior Management by incorporating diverse viewpoints;
  - b) Enables good governance by heightening the capacity for organisational oversight to achieve industry and regulatory benchmarks in diversity and inclusion; and
  - c) Safeguard the Company in dealing with organisational change by effectively adapting to the changing business landscape and diversifying views from stakeholders.

### 1.3 Scope and application

- 1.3.1 This Policy should be read together with the relevant enumerations encapsulated in the following authoritative promulgations:
- a) Companies Act 2016 (“CA 2016”);
  - b) Malaysian Code on Corporate Governance (“MCCG”);
  - c) Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“MMLR”); and
  - d) Employment Act 1995 (Act 265) (“Employment Act”),

1.3.2 The internal reference documents which are to be referred to for this Policy include, but are not limited to the following:

- a) Board Charter;
- b) Directors Code of Best Practices;
- c) Terms of References (“TORs”) of Board Committees; and
- d) Code of Conduct.

1.3.3 Where there is a conflict between the contents of this Policy and the authoritative promulgations, the relevant enumerations contained in the said authoritative promulgations or the Company’s Constitution shall prevail.

1.3.4 This Policy is also aligned with established guidelines and better practices including the Corporate Governance Guide by Bursa Malaysia Berhad and voting policies of Duopharma Biotech’s major shareholders at general meetings.

1.3.5 Where paragraphs in this Policy refer to provisions in legislations or other corporate governance promulgations, they are indicated accordingly in italics.

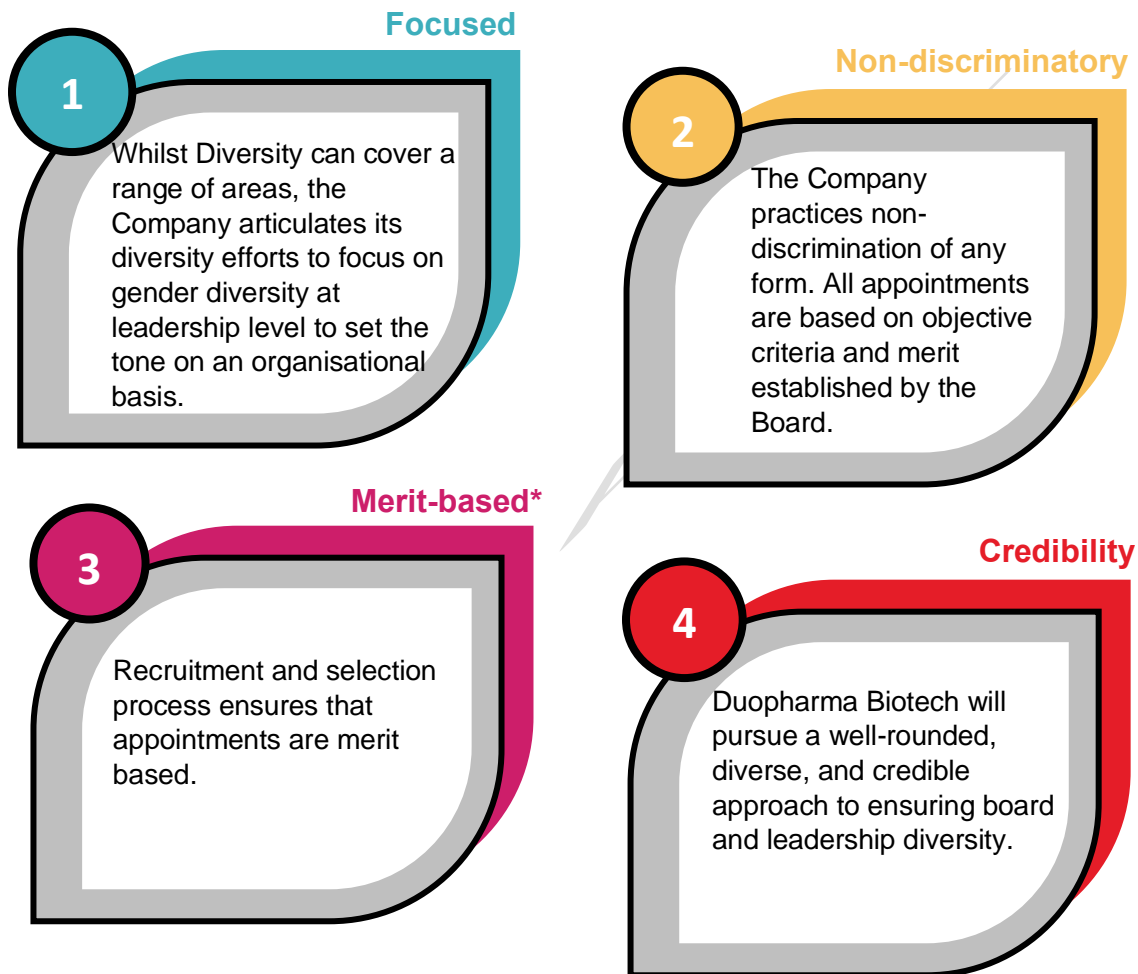
#### 1.4 Definitions

1.4.1 In the context of the Policy, the following terms are ascribed with the following definitions:

Terms	Definition
Diversity	The Company considers the concept of diversity encompassing various areas including, but not limited to gender, age, cultural background, education background, business and industry skills and experience.
Major Shareholder	A person who has an interest of 10% or more of the total number of voting shares in the Company ( <i>Paragraph 1.01 of MMLR</i> ).
Nominee Director	A Director who is appointed as a representative of a shareholder ( <i>Section 217 of CA 2016</i> ).
Non-Executive Director	A Director who does not assume management responsibilities in the Group. A Non-Executive Director may be an Independent Director or a Non-Independent Director.
Workplace harassment	Any form of verbal, written, physical or visual harassment that could potentially create a hostile work environment.

## 1.5 Principles

- 1.5.1 The Policy is anchored by the principles listed below and is designed to cultivate a more inclusive and diverse organisation and foundations for the Company's continued success.
- 1.5.2 The Policy is consistent with Duopharma Biotech core values (i.e. *P-passion, E – excellence, T – teamwork, I- integrity, R – responsible R- respect*) and is designed to promote symmetric outcomes with the goals of other internal documents.



*\*Note: A diverse workforce must not come at the expense of workforce inclusion. The Company views appreciating and rewarding experienced Board members and Senior Management is as important as creating policies and opportunities for new appointments.*

## 2. Framework

### 2.1 Diversity framework

2.1.1 Our approach in promoting diversity and inclusion as follows:

<b>Objective measures</b>	The Company has set measurable objectives to meet diversity targets at the Board and Senior Management level. Diversity objectives are also linked to the Senior Management's key performance indicators and form a key component of the performance criteria assessment in the Board Effectiveness Evaluation exercise.
<b>Holistic strategies</b>	The diversity considerations set at the Board and Senior Management level will set the tone for organisational-wide initiatives with a view of imbuing cognitive variety during deliberations and decision making as well as spurring innovation at all levels.
<b>Continuous development</b>	Continuous monitoring of the Company's diversity practices and the accompanying diversity benchmark figures will be undertaken to enable timely remedial measures to be instituted, if needed.
<b>Stakeholder inclusion</b>	Input and feedback from stakeholders on the Company's diversity practices will be factored and translated into policy actions where applicable. Where possible, the Company will also work with stakeholders to promote diversity and inclusion in the marketplace.

### 2.2 Policy limitations

2.2.1 As a policy stance, all appointments to the Board and Senior Management must collectively reflect the diverse nature of the business environment in which Duopharma Biotech operates and be made based on merit, in the context of skills, experience, independence and knowledge which the Board and Senior Management require to be effective.

2.2.2 Notwithstanding, the Board also recognises the rights of shareholders (e.g. nomination of boardroom candidatures) and prerequisites as well as condition precedents on directorships and equity ownership that may be present in prevailing tenders or contracts with counterparties including the government. As such, whilst the Board recognises the benefits of diversity and inclusion, the Board acknowledges the challenges of achieving the Company's diversity objectives due to the legal and contractual obligations as well as the socio-economic context of the country.

2.2.3 Subject to the aforementioned limitations, the Company will continue to create an environment and culture whereby diversity and inclusion are championed every day.

### 3. Roles and Responsibilities

The Board, NRC and Group Managing Director (“GMD”) are essential to the execution of the Policy. The section below outlines the governance roles and responsibilities within the ambit of the Board, NRC and GMD.

#### 3.1 Board of Directors

- 3.1.1 The Board should set measurable objectives to achieve gender diversity with the goal of having a composition of the Board with female gender representation (*Practice 5.5 of the MCCG*);
- 3.1.2 The Board should undertake an annual effectiveness evaluation of the Board, Board Committees and individual Directors to assess the balance of skills, experience, independence and knowledge on the Board and the diversity representation on the Board (*Practice 6.1 of MCCG*);
- 3.1.3 The Board shall utilise independent sources including search firms and directors’ registry to identify suitably qualified candidates, apart from recommendations of existing Board members, Management or major shareholders (*Practice 5.6 of MCCG*); and
- 3.1.4 The Board should cultivate a diverse and inclusive culture across the Company by introducing progressive human capital strategies on the Board and Senior Management to support the participation of women on the Board and Senior Management (*Guidance to Practice 5.9 of the MCCG*).

#### 3.2 Nomination and Remuneration Committee

- 3.2.1 The NRC is to assist the Board in ensuring that the appointment and remuneration of Board members and Senior Management of Duopharma Biotech are underpinned by robust processes and procedures (*Paragraph 1.2 of TOR of NRC*);

#### 3.3 Group Managing Director

- 3.3.1 The Board, together with GMD is responsible in developing a pipeline of high-calibre candidates by encouraging a diverse range of Senior Management individuals within the business to take on additional responsibilities and roles to gain valuable Board experience (*Paragraph 4.9.2 of Board Charter*);
- 3.3.2 To maintain a well-functioning and diverse team, the GMD should support mentoring, networking and adequate training to all Senior Management; and

## 4. Measures and Strategies

The Policy's measures and strategies is a guideline for reference for Board and Senior Management to achieve its diversity and inclusion goals.

The section outlines key matters relating to the measures and strategies that should be undertaken by the Board, NRC and GMD, predicated on authoritative promulgations, Major Shareholders' guidelines and better practices.

### 4.1 Board of Directors

#### 4.1.1 Board appointments

- a) The Board shall comprise at least 30% women Directors to bring in a diversity of perspectives during the deliberation process (*Practice 5.9 of the MCCG*);
- b) The Board should consider diversity criteria when determining the optimum Board composition (*Stipulation 2.2.1 of PNB's Voting Guidelines*); and
- c) The Board should utilise independent search firms in finding suitable Board candidates whilst maintaining an ongoing list of potential candidates that reflects the Board's diversity commitments in respect of gender and ethnicity, as outlined in this Diversity Policy.

#### 4.1.2 Board effectiveness evaluation

- a) The Board shall report annually on the outcomes of the board evaluation exercise, the composition and structure of the Board's well as any issues and challenges the Board is facing when considering the diverse makeup of the Company (*Practice 6.1 of the MCCG*).

#### 4.1.3 Age diversity

- a) The Board acknowledges the benefits of having a diverse boardroom in terms of age demographics which could enrich board deliberations with experience and maturity as well as youthful exuberance. As such the Board, committed to promote age diversity and seek to eliminate age stereotyping or discrimination on age;
- b) The Board sets an age limit of 80 years old for all Directors to ensure that the current Board mix would have a balanced of reputable and experienced Directors in the corporate world (*Stipulation 3 of EPF Voting Policy at Annual Shareholders' Meeting*); and
- c) The Board will continuously monitor the median and average age of its Directors vis a vis the benchmark figures in the marketplace.

#### 4.1.4 Ethnic diversity

- a) The Board recognises the value of ethnic diversity in the Boardroom in promoting different viewpoints by Director; and
- b) The Board is setting a long-term target for the Board's ethnicity composition to reflect the ethnicity stratifications in the country.



## 4.2 Senior Management

### 4.2.1 Senior management appointments

- a) The Board acknowledges the importance in promoting diversity for Senior Management;
- b) When shortlisting candidates for Senior Management, the GMD ensures that at least one female candidate is considered; and
- c) The Board and Senior Management will consult professional organisations and advocacy groups with database of qualified women for appointments at leadership levels.

### 4.2.2 Progressive human capital policies

- a) The Board and GMD shall develop and oversee the implementation of appropriate policies, programmes and initiatives to build inclusion and promote diversity at Senior Management level to ensure that there is an internal pipeline of diverse talent who are qualified and capable of taking up senior positions (*Practice 5.10 of the MCCG*);
- b) The NRC will monitor equal pay for equal work among selected Senior Management by supervising promotion and compensation measures, outlining salary ranges and benefits in job postings (*Paragraph 3.3 of Board Charter*); and
- c) The Company will also practice gender-neutral job openings in internal and external recruitments.

### 4.2.3 Age diversity

- a) The Company acknowledges that a wide range of age dispersion for Senior Management individuals has the advantage of creating a dynamic and multi-generational workforce with a diverse range of skill sets that are beneficial to the Company; and
- b) The Company does not set specific targets or limits for the age of Senior Management individuals.

### 4.2.4 Training and empowerment programmes

- a) The Board shall ensure sufficient training is provided for Senior Management to build an inclusive mindset and reduce the risk of unconscious bias, that is aimed to combat stereotyping and emphasizing the value added of diversity for business objectives (*Paragraph 3.3 of Board Charter*);
- b) Senior Management will lead specific diversity and inclusion initiatives to bring awareness across the Company and help Management understand the appropriate tone and behaviours for internal collaboration and can navigate changing workforce dynamics and demographics; and
- c) Senior Management will be provided mentoring programmes via coaching and development sessions.

## 4.3 Recruitment and selection practices at all levels

- a) The diversity considerations set at the Board and Senior Management level will set the tone for organisational-wide initiatives.
- b) When Duopharma Biotech nominates individuals (including Board members and Senior Management) to represent the Company on the boards of industry associations or governmental bodies, due consideration will be given to the aspect of diversity.

## 5. Reporting

A summary of this Policy, together with the diversity objectives set for the implementation of this Policy will be included annually in the Annual Report and Corporate Governance Report (*paragraph 15.08A of Main Market Listing Requirements by Bursa Malaysia Securities Berhad*).

## 6. Review and Amendments

The NRC shall periodically review this Diversity Policy to be in line with legislative promulgations and better practices as well as the nature of the business.

All revisions or amendments to this Diversity Policy as recommended by the NRC will be submitted to the Board for consideration and approval.

The Document is approved by the Board on 9 December 2021.

